

Dr A Client  
1 Queen Elizabeth Park  
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22 October 2019

Quote ref: XX111111  
Please ask for: Benefits team

Dear Dr Client

## Approaching retirement

Please read this letter carefully as it contains important information about how you can use your pension savings to provide you with an income. Choosing how and when to take your pension benefits is a big decision as the choices you make now will affect how much you receive from your pension in the future.

We are required by the Financial Conduct Authority to let you know when you approach the age at which you can take benefits from your pension, and every five years thereafter until you have fully crystallised your fund. In this letter we've included information about the ways in which pensions can be used to provide you with an income. You should consider your circumstances and decide which of these options is most suitable for you.

You don't have to make this important decision alone as help and advice is available. If you do not have a financial adviser, we strongly recommend that you speak to one. You can find an adviser by contacting the Money Advice Service on 0300 500 5000 or at [www.moneyadviceservice.org.uk/directory](http://www.moneyadviceservice.org.uk/directory).

We have enclosed a summary of your pension and a list of important considerations; these have been prepared on the following basis:

- You are 59 years of age and have reached the age at which you can take benefits from your SIPP.
- You do not have a protected retirement age and you can take benefits from 55 years of age.
- You do not have a scheme-specific protected tax free cash allowance (greater than 25%).
- Your SIPP is not expecting contributions from your employer.

## Free guidance service

You should also take advantage of Pension Wise, which is a free and impartial service backed by the Government that helps you understand your retirement options and how they work. You can arrange a free guidance session by telephone, over the internet, or face-to-face, to help you plan and take the time to make the right decision for you. You can contact them by telephone on 0800 138 3944 or visit their website [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk). We've enclosed a letter to you from Pension Wise, which explains the services that they offer.

## Understanding your options

The information on the following pages and in the enclosed booklet *Your pension: it's time to choose*, provided by the Money Advice Service, explains the options that are available for taking your retirement benefits. The booklet also contains a guide to shopping around and explains how to get different quotes from other providers. Shopping around will help you to find the right outcome for you.

## What to do next

- Read the enclosed information.
- Review the current value of your pension, from our secure online portal.
- Discuss your retirement plan with Pension Wise.
- Make sure that you shop around to get the right deal for you.

## Other considerations

You don't need to take income from your pension right away. If you want to top up your pension you can still make contributions until you've used your whole SIPP to provide an income. However, if you have enhanced or fixed protection, you'll lose it if you do make a contribution.

If you want to take benefits from your pension now, you may need to arrange the sale of some or all of the investments in your SIPP to provide enough cash to pay your tax-free lump sum and income. It is important to plan ahead because the sale of some types of investment can take a long time, which could delay your income.

If you have any questions or would like to discuss anything further, please contact the Benefits Team on 01473 296855.

Yours sincerely



Laura Wells  
Team Manager | Benefits Team

# YOUR PENSION SUMMARY

Plan: 700000

Client: Dr A Client

Firm: Suffolk Life Annuities Limited

Value at  
18/10/2019



£108,286.45

Retirement  
date



21 November 2019

Expected  
contributions



£0.00  
per year

## Actions

Now is a good time to carefully consider your pension at Curtis Banks, and think about whether you need to make changes in order to meet your retirement goals. On 18 October 2019 the unaudited value of your pension was £108,286.45. You haven't crystallised any of your fund to take benefits.

You should think about whether you are saving enough. Your pension at Curtis Banks hasn't received any contributions in the last 12 months. We aren't expecting any regular contributions in the next 12 months.

You should also think about when is the right time to take benefits from your pension. You told us that you plan to start on 21 November 2019, but you don't have to. You can change your retirement date at any time.

## Getting help, advice, and guidance

You should take advantage of Pension Wise, which is a free and impartial service backed by the Government. Pension Wise can help you understand your retirement options and the ways in which you can use your pension pot to provide you with an income in retirement. You can arrange a free guidance session over the internet, by telephone or face-to-face.

Contact Pension Wise by telephone on 0800 138 3944 or visit their website [www.pensionwise.gov.uk](http://www.pensionwise.gov.uk).



## Important considerations

We recommend that you speak to a financial adviser, who will be able to help you identify the most suitable course of action for you.

- This plan is protected by the Financial Services Compensation Scheme. You should check the protection status of any choices you make about your retirement benefits.
- You should consider the amount of your pension savings in the context of your overall wealth. This pot might only be part of your total retirement savings. You should consider how much you will have to live on, and how long you will need the money in this plan to last.
- You can take benefits from your plan at any time. You don't have to take benefits now.
- Your health can affect the amount of income you receive in retirement and when you can take benefits.
- Different retirement products are available from different providers. Some of these may offer you features, such as a guaranteed income for the rest of your life, or the ability to continue to invest your savings. They may also have differing charges. You should thoroughly research your options, in order to make an informed choice.
- Some investment scams encourage people to withdraw money from their pensions in order to invest elsewhere. These schemes can appear genuine, but you risk losing some or all of your money. The risk of investment scams has increased significantly in recent years. In particular, you should watch out for the following:
  - Investments promising surprisingly large returns.
  - Persistent sales techniques.
  - Unusual investments which you do not understand.
  - Firms which do not appear to have professional offices or literature.
  - Investments which are unregulated and appear difficult to sell.
- You should make sure that you review whether the investments within your pension are performing in the way you expected them to. This may have an effect on the amount available to you in retirement, so you might need to take further action now.
- You should be aware that taking money from your plan could affect your entitlement to means-tested benefits. These are usually based on the value of your income or assets, so taking money from your pension could result in any benefits being reduced or stopped. You should check how your means-tested benefits may be affected before deciding whether to access your pension.
- Choosing to take retirement benefits will usually have tax implications. Without fully understanding the implications of the choices you make, there is a risk that you could pay more tax than you were expecting to. A financial adviser will be able to help you consider the implications. More information about income tax and the types of benefits that are subject to income tax can be found at [www.gov.uk](http://www.gov.uk), by searching for 'income tax'.
- Any money you take from your pension may become part of your personal wealth, therefore anybody you owe money to may have a call on it. You should take this into account before deciding to take money from your pension, particularly if you are at risk of creditors claiming from you.
- When you die, it may be possible to pass any remaining money in your pension to beneficiaries, such as a spouse or other family members. If you have others that are dependent on you, or if you are intending to leave your pension to them, you should research and understand the implications of your retirement choices on them.

This list is not exhaustive. We recommend that you speak to an FCA-authorised financial adviser about any investments or transfers that you are considering.

## Understanding your retirement options

*You have a number of options that you can choose from at any time after you reach age 55. Not all of the options may be available from Curtis Banks. The 'Your Pension: it's time to choose' booklet has more detail about the options mentioned below. <https://www.moneyadviceservice.org.uk/en/articles/free-printed-guides>*

The options listed below represent the choices available in the market to all customers. Making the right choice for your circumstances is very important. Once you've read the list below, you should take guidance from Pension Wise or seek financial advice before making your decision. It's important to know that you don't have to stay with Curtis Banks; by shopping around you could get better value for money, a higher income, or greater flexibility than under your current plan.

### Options for your pension pot

#### 1 Keep your pension savings where they are

There is no need to access your pension pot until you wish to do so. Your pension pot remains invested which means the value can go up or down.

You can continue to save into a pension and decide what to do at a time that suits you.

#### 2 Use your pension pot to get a guaranteed income for life

You can normally choose to take up to 25% of your pension pot at outset as a tax-free lump sum. The rest will be used to buy products that will give you a taxable guaranteed income. This means that you will know how much you will receive and for how long.

If you have a medical condition, are overweight, smoke or have a poor lifestyle, then you could get a higher income. It's important you shop around as providers can use different factors when working out how much they'll pay you. Typical products you could choose are:

##### A Lifetime annuity

This provides a guaranteed income for as long as you live. Once you have chosen a lifetime annuity you won't be able to make any changes and will be locked into it. There are many types of lifetime annuity, so make sure you choose the right one for you. For example, you can also choose to provide an income for a dependant or other beneficiary after you die.

##### B Fixed-term annuity

This provides a guaranteed income for a set period that you choose at outset. A fixed term annuity can be set up to give you a lump sum back at the end of the fixed term, which allows you the flexibility to reconsider your options at that time.

Options continued overleaf

## Options for your pension pot (continued)

### 3 Provide a flexible retirement income

This option is known as flexi-access drawdown. You can normally choose to take up to 25% of your pension pot at outset as a tax-free lump sum. The rest can be used to provide taxable income payments directly from your pension pot. You can vary the amounts you take and when you take them. There are no limits to the income you can take which could increase the rate of income tax you pay when added to your other income. Your pension pot remains invested which means the value can go up or down. You can use the money you have in flexi-access drawdown to buy a guaranteed retirement income product at any time.

An investment-linked annuity is a type of lifetime annuity (see section 2. above) that will provide you with an income that goes up and down with investment returns. Typically, these guarantee a minimum level of income if investment performance is poor.

Once you take an income payment under flexi-access drawdown, or have an investment-linked annuity, future amounts paid into your money purchase pension savings must be limited to £4,000 a year or you will pay a tax charge.

### 4 Take cash

25% will normally be tax-free. The rest will be taxed and could increase the rate of income tax you pay when added to your other income. If you take cash using an Uncrystallised Fund Pension Lump Sum or Flexi-Access Drawdown, future amounts paid into your money purchase pension savings must be limited to £4,000 a year or you will pay a tax charge.

## The Lifetime Allowance

If the value of all your pension savings is above a certain limit, and haven't been assessed against your remaining limit, further tax charges may apply when you access your pension pot. The limit is called the Lifetime Allowance (LTA). The Standard Lifetime Allowance is £1,055,000 for the 2019-2020 tax year. HM Revenue & Customs will have sent you a certificate if you have a different Personal LTA.

## Mix your options

You don't have to use all of your pot at one time. You can choose more than one option and do different things at different times. You should shop around to find the mix of options that suits you, as you don't need to buy all options from one provider.

Your decision about which options to choose is likely to be influenced by many factors, such as how much income or cash you need now and in the future. You should also consider your personal circumstances including people that are financially dependent on you and the impact that your choices may have on taxation and State Benefits.

### More information

If you require more information you can contact any of the following:

#### Pension wise

Web: [www.pensionwise.co.uk](http://www.pensionwise.co.uk)

Telephone: 0800 138 3944

#### Money Advice Service

Web: [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)

Telephone: 0300 500 5000

#### A financial adviser

If you don't have an adviser you can find one at [www.unbiased.com](http://www.unbiased.com)